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Market Analysis - March 16, 2005

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On Monday of this week analysts were claiming that the soybean rally last week did not make any sense. The South American production worries and the fund buying were simply not enough (it was claimed) to give this rally any support. The Brazilian crop is down sharply (about 20%) but world stocks are simply huge. The market seemed to be acting as if there was a supply side shortage which it does not. By Monday afternoon, these analysts looked to have had a point as beans closed lower (although not much). It was the locals who were profit taking but this was the second Monday session in a row that the market 'corrected'. On Tuesday these analysts looked silly as the market turned and the prices headed north once again. The large speculators drove prices through the resistance level and by midday we were trading at \$6.85. On Wednesday soybeans closed down about 20 cents in the last half an hour of trading – the ultimate volatile market. Traders are expecting a reduction in exports this week so that might give back more of the gain. What is uncertain is the direction of prices in the short run, what is not uncertain is that we are in for a very bumpy ride. The daily pattern of corn prices this week was identical to soybeans. Down, up and then down on Wednesday. Is this a coincidence? No, it is not, corn is basically following beans and spillover trading is dominating this market. Weekly export inspections on Monday were bearish – 29 million bushels were well below the 39 million bushels needed each week to hit the USDA's projected 1.85 billion bushels. One fundamental factor that might hold the corn market up is that some corn acres might be lost to beans due to higher production costs and the attractiveness of growing beans rather than corn due to the high prices. Wheat had a great week last week trading up about 20 across the three exchanges and the support came from, you guessed it, the funds and spillover pressure from beans. Unless U.S. exports increase over the next few months there is serious doubt in this market that the rally will hold. This week, like corn, wheat followed beans. By Wednesday some analysts had interpreted the charts as having an 'island-top' formation. Translation: this could be the first sign of a reversal in the three week upward trend.

BASIS TABLE

	CORN	BASIS	SOYBEAN	N BASIS	WHEAT BASIS		
LOCATION	CASH (Mar05) NEW(Dec05)		CASH (Mar05)	NEW(Nov05	CASH(Mar05)	NEW(Jul05)	
Western MD	+19	n/a	-60	n/a	-26	n/a	
Central MD	+23	+3	-30	-37	-38	-5	
Southern MD	+8	-9	-23	-22	-18	-15	
Upper E. Sh	+21	+4	-10	-17	n/a	-14	
Lower E. Sh	+28	+11	Even	-8	-4	-13	

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

THE CROP WEATHER WILL RESUME IN APRIL 2005

Grade and	#2 Y S	helled	#2 Yellow		#2 Red	Winter	#2 D1		
Commodity	Co	Corn		Soybeans		Wheat		#3 Barley	
Date	3/08	3/15	3/08	3/15	3/08	3/15	3/08	3/15	
Western Md	2.45	2.45	5.51	6.14	3.15	3.35	1.83	1.83	
Central MD	2.39	2.49	5.91	6.44	3.92	3.99	2.00	1.98	
Southern MD	2.22	2.34	6.01	6.51	3.12	3.43			
Upper E. Shore	2.34	2.47	6.14	6.64					
Lower E. Shore	2.41	2.54	6.24	6.74	3.26	3.57	1.58	1.58	
Soybean Meal	Low	Lower Eastern Shore			Dealer's Average Cash quotes (\$/ton)				
Date	3/08		3/15 I		ate 3			3/15	
48% Soybean Meal	215.00	215.00		232.00 44% Soy		bean Meal 203.0		220.00	
FORWARD CONTRACT	DDIGE DE CT								
I OIL WILLIAM COLVINGE	<u> PRICE-REGIC</u>)NAL (\$/BU	J) for Harve	est delivery l	Dealer's Avg (Quotes			
Grade and	PRICE-REGIC #2 Y Sho Cor	elled	#2 Ye	ellow	Dealer's Avg #2 Red Who	Winter	#3 Ba	ırlev	
Grade and	#2 Y Sh	elled		ellow	#2 Red `	Winter	#3 Ba	arley 3/15	
Grade and Commodity Date	#2 Y She Cor	elled n	#2 Ye Soyb	ellow eans	#2 Red \\Wh	Winter eat			
Grade and Commodity Date Western Md	#2 Y Sho Cor 3/08	elled n 3/15	#2 Ye Soyb 3/08	ellow eans 3/15	#2 Red Who	Winter eat 3/15	3/08	3/15	
Grade and Commodity Date Western Md Central MD	#2 Y Sho Cor 3/08	elled n 3/15	#2 Ye Soyb 3/08	ellow eans 3/15	#2 Red \(\text{Who} \) 3/08	Winter eat 3/15	3/08	3/15	
Grade and Commodity	#2 Y She Cor 3/08 2.38	3/15 2.50	#2 Ye Soyb 3/08 5.68	ellow eans 3/15 5.99	#2 Red \(\text{Wh} \) 3/08 2.92	Winter eat 3/15 3.73	3/08	3/15	

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Mar 15, 2005									
Corn		Soybeans		W	Vheat	Soybean Meal ¹			
05May	228.40	05May	681.00	05May	368.00	05May	202.20		
05Jul	235.20	05Jul	684.60	05Jul	375.00	05Jul	204.40		
05Sep	240.20	05Aug	682.40	05Sep	380.00	05Aug	205.30		
05Dec	247.40	05Sep	660.00	05Dec	388.00	05Sep	203.70		
06 Mar	253.20	05Nov	644.00	06Mar	393.00	05Oct	199.50		
06May	256.20	06.Ian	645.00	06May	383.00	05Dec	199 70		

HAY AND ST	RAW/									
		- Mar 14, 2005 - 18	Loads							
	lfalfa		d Hay	Ti	mothy		Orchardgi			Straw
	0-160.00		-210.00		0-200.00		35.00-180.			00-185.00
		le - Mar 15, 2005- 2								
Alfalfa		fa Mix Timot			Grass		Straw		Mulch	Clover Mix
2.30-5.70		-5.60 1.40-4		4.50	1.50-4	4.60	2.50-3.90		.25-1.30	1.00-2.90
		Farmers' Market			D 1		T /TT*			n.
Product	Lo	/Hi Avg Pı	ace		Prod	uct	Lo/Hi		Av	g Price
		Nex	t Sale Mar 19, 20	005						
POULTRY (G	rade A) - V	Veek Ending - Mar		,,,,,						
· ·		Curren		We	ek Ago		Month A	\go	,	Year Ago
NY Wtd Avg. (Fryers)	71.			59.57		69.68	_	-	75.77
12 City Compo		72.	97	7	71.74		71.37	•		75.92
LAMBS - Wes	tminster, N	MD - \$/cwt - Mar 15	, 2005							
Lambs		100.00-150.0	0				Sheep		62.50-102.5	50
	Mo	stly 130.00 Up					Fat		25.00- 55.0	00
		HOGS - Mar 15, 20		DIREC	T MARK	ЕТ НО	GS - Westmir	ıster,	MD - Mar 1	15, 2004
Base Price Rang	ge (\$/cwt)	Carcass Basis	Sows (1-3)		D 4 1 1	**			215 260 11	TT 4 40.00
a.m.		Base 185 lb Hog	300-449 lbs		Butcher 1	Hogs	Heavy			S Up to 48.00 S 40.00-48.00
Iowa, Minn		62.00-65.50	34.45-49.04		Sows		Thin & Milki	ng	200-414 108	34.75-38.50
Eastern Cornbe	elt	58.00-68.20		Millsbo		arket F	logs - (\$/cwt)		16, 2005	42.00-44.00
FEEDER PIG	S - (\$/cwt)		'							
Gumboro, DE				Nev	v Holland.	. PA - N	Iar 10, 2005			
Head: 201	Trend:	None			nd: 293		l: All went to	o slau	ghter	
Under 30 lbs	93.00-175		70.00-90.0		20-30 lbs		0-182.00	o siaa,	Bitter	
30-39 lbs	67.00-170				30-40 lbs		0-180.00			
40-49 lbs	85.00-136				56-60 lbs		0-105.00			
		ES-Chicago Mercai						. Mer	cantile Excl	nange
(\$/cwt) - Mar 1	15, 2005						JRES-Chicago 15			
Mar05	89.90	Jun05	85.88	Apı		70.58		Jul0		76.83
Apr05 May05	89.75	Aug05 Oct05	83.33 84.38	Ma Jun	-	77.20 79.05		Aug Oct0		74.10 63.63
-			04.30	Jun	103	19.03		Octo	13	03.03
STOCKER-FI					Westmi	natan 1	1D. May 15	2005		
Winchester, V Steers	300-400 1	<i>'</i>	25.00		Steers	nster, N	MD - Mar 15,		400 lbs	109.00-135.00
Steers	400-500 1				Steers				600 lbs	89.00-133.00
	500-6001								800 lbs	82.50- 91.00
	600-7001								000 lbs	73.00- 84.00
	700-800 1				Heifers				300 lbs	84.00-120.00
Heifers	300-4001								500 lbs	95.00-124.00
	400-500 1				TT 1 D	11 (2.1			700 lbs	72.00- 87.00
	500-600 l 600-700 l				Hols Bu Returne			90-	100 lbs	162.50-182.50 160.00-177.50
	000-700 1	08 90.00-	99.00		Keturne	eu to ta	#2			137.50-160.00
								120 lb	os & Up	130.00-167.50
					Holsteir	ı Heifer			1	170.00-390.00
Lancaster, Nev	w Holland	& Vintage - Week I	Ending - Mar 19,	2005						
Bull,	90-130 lb					Plaine		90-13		137.00-185.00
Heifers, Hols	90-120 lb		55.00			Plaine	er	90-12	0 lbs	515.00-575.00
SLAUGHTER Westminister,										
Fed Steers	MID - MI	1 13, 2005			Fed He	eifers				
HCh		90.00-94.75			Ch					86.00-93.50
Ch		86.50-90.00			Calves					55.55 /5.50
LCh		82.00-86.00)		Culls					36.00-100.00
Holstein up to 1	1875 lbs	60.00-72.00)		Jersey 1					21.00-50.00
Cows		50.00-55.00	•		Beef C	ross				100.00-160.00
Utility High Dressing		50.00-55.00 55.50-62.00								
Canners		45.00-49.50								
Shelly		44.00-Dowr								
Lancaster, Nev	w Holland	& Vintage - Week I	Ending - Mar 19,							
Steers, Choice	2-3	110	0-1500 lbs	92.50	0-97.25		\$1-\$2 low			
Cows, Breakers Bulls, YG 1	s /5-80 pct		0-2240 lbs		5-60.00 5-75.00		\$1-\$2 high Steady	ner		
Duns, IUI		112	U-44U 1US	05./:	J-13.UU		sieady			

For more information about this report, call 410-841-5740 or write:

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